

# **California Energy Resources Scheduling**

**a division of  
California Department of Water Resources**

**Activities and Expenditures Report  
Quarter Ended June 30, 2002**

**(Provides Data as Required by AB1X 1)**



# Activities and Expenditures Report For Quarter Ended June 30, 2002

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# Activities and Expenditures Report

## Preface

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Pursuant to the reporting requirement in Assembly Bill 1X 1, the following information reflects energy acquisition activities and expenditures incurred by the California Energy Resources Scheduling Division (CERS) of the Department of Water Resources for the second quarter of 2002. Included are all costs related to administration and energy acquisition.

CERS was created by AB1X 1 to purchase electricity on behalf of customers of Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric. This has been accomplished through bilateral purchases of energy and as the creditworthy backer for certain investor owned utility transactions with the California Independent System Operator.

During April, May and June 2002, CERS purchased nearly 9.6 million megawatt hours of electricity at a cost of \$859 million. Spot market prices remained relatively stable with an average spot market price of \$31 per megawatt hour during the three-month period.

In comparison, during the same period in 2001, CERS purchased nearly 19.8 million megawatt hours of electricity at a cost of \$4.6 billion. The average spot market price per megawatt hour was \$267.

Power sales in the second quarter of 2002 totaled 1.1 million megawatt hours at an average price of \$19 per megawatt hour. Sales volume accounted for 2.90% of total estimated load. Power sales are necessary at times to balance electric resources to match actual demand.

This report, as well as prior and future reports, are available on the DWR website under “Energy News”.

# Statement of Cash Flows (in millions)

	Quarter Ended <u>June 30, 2002</u>	January 17, 2001 - <u>June 30, 2002</u>
Cash Receipts		
Advances from General Fund		\$ 6,210
Proceeds from June 26, 2001 interim loan		4,300
Revenue from ratepayers of IOUs	\$ 1,179	5,518
Interest		67
Receipts from California ISO		148
	<hr/>	<hr/>
Total Cash Receipts	1,179	16,243
Cash Expenditures		
Power (net of power sales)	899	13,214
Repayment to General Fund		116
Interest on interim loan	49	237
Principal payment on interim loan	385	451
Administration and costs incurred in anticipation of sale of long-term bonds	38	109
	<hr/>	<hr/>
Total Cash Expenditures	1,371	14,127
	<hr/>	<hr/>
Change in Cash	(192)	2,116
Cash Balance at March 31, 2002	2,308	
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Cash Balance at June 30, 2002	<u>\$ 2,116</u>	<u>\$ 2,116</u>

# Receipts from Ratepayers of IOUs

	Pacific Gas & Electric	San Diego Gas & Electric	Southern California Edison	Total
<b>Prior Quarters</b>				
First Quarter, 2001	\$ 76	\$ 110	\$ 55	241
Second Quarter, 2001	515	70	310	895
Third Quarter, 2001	683	72	429	1,184
Fourth Quarter, 2001	543	84	497	1,124
First Quarter, 2002	391	134	370	895
Totals Prior Remittances	<u>2,208</u>	<u>470</u>	<u>1,661</u>	<u>4,339</u>
<b>Second Quarter 2002</b>				
April, 2002	79	207	42	327
May, 2002	154	111	56	321
June, 2002	268	218	44	531
IOU Remittances for 2nd Quarter	<u>501</u>	<u>536</u>	<u>142</u>	<u>1,179</u>
<b>Total Remittances to Date</b>	<u>\$ 2,709</u>	<u>\$ 1,006</u>	<u>\$ 1,803</u>	<u>\$ 5,518</u>

San Diego Gas & Electric began payments to DWR on February 7, 2001 under the terms of a Letter Agreement between SDG&E and DWR entered into on February 7, 2001.

Pacific Gas & Electric and Southern California Edison began making payments to DWR on March 29, 2001 under the terms of a PUC Order issued March 27, 2001.

# Summary of Net Monthly Energy Commitments

	Spot Market			Contracts			ISO Related Costs	Total		
Period	Mwh (millions)	Cost (millions)	Avg. Price (1)	Mwh (millions)	Cost (millions)	Avg. Price	Cost (millions)	Mwh (millions)	Cost (millions)	Avg. Price
First Quarter 2001	8.992	2,718	302	3.875	745	192	744	12.867	4,207	327
Second Quarter 2001	8.904	2,377	267	10.924	1,993	182	252	19.827	4,622	233
Third Quarter 2001	4.336	218	50	12.563	1,658	132	93	16.899	1,969	117
Fourth Quarter 2001	3.382	102	30	9.145	749	82	70	12.527	921	74
First Quarter 2002	3.265	126	39	6.559	573	87	29	9.824	727	74
<b>Total Prior Quarters</b>	28.878	5,541	192	43.066	5,718	133	1,188	71.944	12,447	173
<b>SECOND QUARTER 2002</b>										
April	0.061	6	31	2.638	226	86	29	2.699	261	97
May	(0.126)	(0)	30	3.327	256	77	35	3.200	291	91
June	0.263	13	32	3.404	256	75	38	3.667	308	84
<b>Second Quarter</b>	0.198	18	31	9.368	738	79	102	9.567	859	90
<b>Total</b>	<b>29.076</b>	<b>5,559</b>	<b>191</b>	<b>52.434</b>	<b>6,456</b>	<b>123</b>	<b>1,291</b>	<b>81.511</b>	<b>13,306</b>	<b>163</b>

Spot Market includes: Day-ahead, hour-ahead, and real-time power purchase costs for bilateral purchases made by CERS, net of spot market sales.

Contracts include: Long-term and short-term, balance of month, quarterly, and block forward purchases.

ISO Costs include: Real time energy, ancillary services, transmission and dispatch costs incurred in the ISO market plus costs incurred by CERS as the credit worthy backer of the investor owned utilities.

Amounts shown above may be revised in Settlement processes.

(1) Average Price reflects the average price of purchases only

# Actual Energy Expenditures vs. Forecast - 2002

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	<u>FORECAST<sup>1</sup></u>			<u>ACTUAL</u>			<u>DIFFERENCE FROM FORECAST</u>	
<u>2002</u>	<u>MWh</u> <u>(millions)</u>	<u>Cost</u> <u>(millions)</u>	<u>Price</u> <u>\$/MWh</u>	<u>MWh</u> <u>(millions)</u>	<u>Cost</u> <u>(millions)</u>	<u>Price</u> <u>\$/MWh</u>	<u>MWh</u> <u>(millions)</u>	<u>Cost</u> <u>(millions)</u>
January	3.979	\$371	93	3.536	\$255	75	<0.443>	<\$112>
February	3.669	\$282	77	3.041	\$224	77	<0.628>	<\$58>
March	2.872	\$263	92	3.247	\$248	84	0.375	<\$15>
April	2.470	\$246	100	2.699	\$261	97	0.229	\$15
May	2.729	\$262	96	3.200	\$291	91	0.471	\$29
June	3.449	\$330	96	3.667	\$308	84	0.218	< \$22>

1 Forecast for January - March based on Navigant Consulting, Inc. model used to generate November 5, 2001 Revenue Requirement filing as amended.

# Power Purchase Commitments - April 2002

Mo./ Day	Spot Market			Contracts			ISO Cost	Total		
	MWh	Dollars	\$/MWh	MWh	Dollars	\$/MWh	Dollars	MWh	Dollars	\$/MWh
4/1	24,376	855,725	35	91,936	8,112,538	88	970,598	116,312	9,938,861	85
4/2	16,543	584,067	35	91,945	8,128,875	88	970,598	108,488	9,683,539	89
4/3	12,979	474,052	37	92,072	8,159,087	89	970,598	105,051	9,603,737	91
4/4	10,994	403,578	37	92,033	8,152,328	89	970,598	103,027	9,526,504	92
4/5	6,943	237,972	34	91,712	8,127,638	89	970,598	98,655	9,336,208	95
4/6	2,997	86,037	29	92,104	8,125,564	88	970,598	95,101	9,182,198	97
4/7	12,383	388,943	31	57,228	3,523,451	62	970,598	69,611	4,882,992	70
4/8	18,187	643,961	35	92,507	8,146,822	88	970,598	110,694	9,761,381	88
4/9	17,023	568,218	33	92,486	8,151,554	88	970,598	109,509	9,690,370	88
4/10	22,098	673,973	30	92,466	8,142,915	88	970,598	114,564	9,787,485	85
4/11	18,749	587,669	31	92,460	8,146,894	88	970,598	111,209	9,705,160	87
4/12	8,219	230,126	28	92,227	8,124,601	88	970,598	100,446	9,325,324	93
4/13	10,678	302,485	28	91,857	8,068,514	88	970,598	102,535	9,341,596	91
4/14	14,417	394,896	27	59,466	3,622,717	61	970,598	73,883	4,988,211	68
4/15	6,900	180,676	26	91,532	8,051,750	88	970,598	98,432	9,203,023	93
4/16	9,933	261,466	26	91,592	8,097,794	88	970,598	101,525	9,329,858	92
4/17	6,836	168,513	25	91,630	8,113,815	89	970,598	98,466	9,252,925	94
4/18	6,733	162,674	24	92,065	8,129,484	88	970,598	98,798	9,262,755	94
4/19	5,220	112,004	21	91,712	8,111,378	88	970,598	96,932	9,193,979	95
4/20	877	11,047	13	91,904	8,101,058	88	970,598	92,781	9,082,703	98
4/21	2,163	32,983	15	59,585	3,661,999	61	970,598	61,748	4,665,579	76
4/22	16,085	514,869	32	92,376	8,133,510	88	970,598	108,461	9,618,977	89
4/23	26,220	941,694	36	92,380	8,161,654	88	970,598	118,600	10,073,946	85
4/24	20,478	686,454	34	92,393	8,163,555	88	970,598	112,871	9,820,607	87
4/25	3,960	103,120	26	95,878	8,291,022	86	970,598	99,838	9,364,739	94
4/26	4,149	123,204	30	92,404	8,148,142	88	970,598	96,553	9,241,943	96
4/27	150	2,650	18	92,502	8,113,230	88	970,598	92,652	9,086,478	98
4/28	12,729	264,004	21	62,294	3,741,764	60	970,598	75,023	4,976,366	66
4/29	25,446	660,820	26	92,452	8,110,642	88	970,598	117,898	9,742,060	83
4/30	15,474	414,878	27	92,416	8,108,176	88	970,598	107,890	9,493,652	88
	359,939	11,072,753	31	2,637,614	225,972,470	86	29,117,929	2,997,553	266,163,152	89

Spot Market includes: Day-ahead, hour-ahead, and real-time power purchase costs for bilateral purchases made by CERS.

Contracts include: Long-term and short-term, balance of month, quarterly, and block forward purchases.

ISO Costs include: Real time energy, ancillary services, transmission and dispatch costs incurred in the ISO market plus costs incurred by CERS as the credit worthy backer of the investor owned utilities.

Amounts shown above may be revised in Settlement processes.



# Power Purchase Commitments - May 2002

Mo./ Day	Spot Market			Contracts			ISO Cost	Total		
	MWh	Dollars	\$/MWh	MWh	Dollars	\$/MWh	Dollars	MWh	Dollars	\$/MWh
5/1	4,721	121,323	26	113,961	9,078,149	80	1,122,381	118,682	10,321,853	87
5/2	3,693	99,880	27	116,686	9,104,242	78	1,122,381	120,379	10,326,503	86
5/3	5,263	152,664	29	114,127	9,076,839	80	1,122,381	119,390	10,351,884	87
5/4	4,465	109,507	25	110,568	8,847,294	80	1,122,381	115,033	10,079,182	88
5/5	13,504	318,220	24	74,473	4,279,349	57	1,122,381	87,977	5,719,950	65
5/6	5,473	144,870	26	113,435	8,962,697	79	1,122,381	118,908	10,229,948	86
5/7	2,963	82,074	28	114,595	9,047,699	79	1,122,381	117,558	10,252,154	87
5/8	1,921	40,230	21	113,159	9,042,875	80	1,122,381	115,080	10,205,486	89
5/9	1,523	50,202	33	112,774	9,014,570	80	1,122,381	114,297	10,187,153	89
5/10	1,030	26,910	26	113,047	9,047,867	80	1,122,381	114,077	10,197,158	89
5/11	1,350	32,900	24	110,113	8,897,247	81	1,122,381	111,463	10,052,528	90
5/12	15,775	423,639	27	75,340	4,336,145	58	1,122,381	91,115	5,882,165	65
5/13	7,582	228,048	30	115,055	9,006,263	78	1,122,381	122,637	10,356,692	84
5/14	3,940	146,110	37	118,159	9,175,527	78	1,122,381	122,099	10,444,018	86
5/15	538	14,312	27	114,743	9,103,433	79	1,122,381	115,281	10,240,126	89
5/16	1,919	52,201	27	116,402	9,140,333	79	1,122,381	118,321	10,314,915	87
5/17	2,080	47,280	23	113,625	9,016,813	79	1,122,381	115,705	10,186,474	88
5/18	4,822	104,765	22	111,943	8,909,813	80	1,122,381	116,765	10,136,959	87
5/19	5,039	94,075	19	72,453	4,235,873	58	1,122,381	77,492	5,452,329	70
5/20	6,011	106,857	18	114,216	9,017,089	79	1,122,381	120,227	10,246,327	85
5/21	5,525	99,865	18	112,757	9,016,280	80	1,122,381	118,282	10,238,526	87
5/22	5,145	99,750	19	117,548	9,137,040	78	1,122,381	122,693	10,359,171	84
5/23	4,980	118,120	24	120,239	9,199,316	77	1,122,381	125,219	10,439,817	83
5/24	5,680	138,185	24	120,255	9,201,077	77	1,122,381	125,935	10,461,643	83
5/25	2,815	50,973	18	113,091	8,911,881	79	1,122,381	115,906	10,085,235	87
5/26	4,700	121,365	26	72,551	4,214,461	58	1,122,381	77,251	5,458,207	71
5/27	1,992	36,166	18	71,585	4,184,139	58	1,122,381	73,577	5,342,686	73
5/28	9,947	262,775	26	119,334	9,112,472	76	1,122,381	129,281	10,497,628	81
5/29	33,300	1,190,881	36	124,129	9,276,343	75	1,122,381	157,429	11,589,605	74
5/30	49,759	1,756,416	35	134,792	9,597,199	71	1,122,381	184,551	12,475,996	68
5/31	41,757	1,410,702	34	130,743	9,412,338	72	1,122,381	172,500	11,945,421	69
	259,212	7,681,264	30	3,395,892	257,602,662	76	34,793,818	3,655,104	300,077,745	82

Spot Market includes: Day-ahead, hour-ahead, and real-time power purchase costs for bilateral purchases made by CERS.

Contracts include: Long-term and short-term, balance of month, quarterly, and block forward purchases.

ISO Costs include: Real time energy, ancillary services, transmission and dispatch costs incurred in the ISO market plus costs incurred by CERS as the credit worthy backer of the investor owned utilities.

Amounts shown above may be revised in Settlement processes.

# Power Purchase Commitments - June 2002

Mo./ Day	Spot Market			Contracts			ISO Cost	Total		
	MWh	Dollars	\$/MWh	MWh	Dollars	\$/MWh	Dollars	MWh	Dollars	\$/MWh
6/1	10,407	261,175	25	107,250	8,977,399	84	1,264,766	117,657	10,503,339	89
6/2	24,219	616,701	25	74,237	4,338,449	58	1,264,766	98,456	6,219,916	63
6/3	11,535	254,854	22	114,345	9,268,785	81	1,264,766	125,880	10,788,404	86
6/4	17,879	477,243	27	125,519	9,377,768	75	1,264,766	143,398	11,119,777	78
6/5	39,376	1,422,725	36	145,773	9,950,811	68	1,264,766	185,149	12,638,302	68
6/6	52,605	1,877,053	36	142,793	10,006,189	70	1,264,766	195,398	13,148,007	67
6/7	37,474	1,203,754	32	134,833	9,805,113	73	1,264,766	172,307	12,273,632	71
6/8	20,274	581,103	29	106,214	8,935,826	84	1,264,766	126,488	10,781,695	85
6/9	5,891	150,321	26	71,673	4,227,941	59	1,264,766	77,564	5,643,028	73
6/10	4,849	121,002	25	126,794	9,504,738	75	1,264,766	131,643	10,890,506	83
6/11	4,441	120,299	27	132,146	9,633,367	73	1,264,766	136,587	11,018,432	81
6/12	17,291	506,491	29	124,326	9,491,156	76	1,264,766	141,617	11,262,412	80
6/13	9,513	290,868	31	122,172	9,439,365	77	1,264,766	131,685	10,994,999	83
6/14	3,145	53,600	17	120,195	9,370,248	78	1,264,766	123,340	10,688,614	87
6/15	11,624	321,345	28	109,143	8,955,420	82	1,264,766	120,767	10,541,530	87
6/16	23,448	709,170	30	78,783	4,395,000	56	1,264,766	102,231	6,368,936	62
6/17	12,936	494,889	38	124,272	9,435,411	76	1,264,766	137,208	11,195,066	82
6/18	13,363	481,895	36	122,495	9,458,546	77	1,264,766	135,858	11,205,207	82
6/19	23,281	712,081	31	127,360	9,521,992	75	1,264,766	150,641	11,498,839	76
6/20	12,964	268,510	21	130,807	9,646,212	74	1,264,766	143,771	11,179,488	78
6/21	12,476	229,363	18	118,796	9,336,128	79	1,264,766	131,272	10,830,257	83
6/22	2,467	45,462	18	107,677	8,951,901	83	1,264,766	110,144	10,262,129	93
6/23	17,362	516,771	30	74,264	4,308,663	58	1,264,766	91,626	6,090,200	66
6/24	16,692	611,602	37	126,225	9,495,468	75	1,264,766	142,917	11,371,835	80
6/25	27,298	1,043,860	38	133,264	9,745,356	73	1,264,766	160,562	12,053,981	75
6/26	38,969	1,396,049	36	128,907	9,728,642	75	1,264,766	167,876	12,389,457	74
6/27	17,044	583,574	34	123,620	9,564,001	77	1,264,766	140,664	11,412,341	81
6/28	17,832	576,822	32	117,287	9,313,804	79	1,264,766	135,119	11,155,392	83
6/29	13,059	303,563	23	111,812	9,083,266	81	1,264,766	124,871	10,651,595	85
6/30	47,848	1,667,826	35	85,442	4,699,393	55	1,264,766	133,290	7,631,985	57
567,562			32	3,468,426	257,966,361	74	37,942,970	4,035,988	313,809,299	78

Spot Market includes: Day-ahead, hour-ahead, and real-time power purchase costs for bilateral purchases made by CERS.

Contracts include: Long-term and short-term, balance of month, quarterly, and block forward purchases.

ISO Costs include: Real time energy, ancillary services, transmission and dispatch costs incurred in the ISO market plus costs incurred by CERS as the credit worthy backer of the investor owned utilities.

Amounts shown above may be revised in Settlement processes.

# Power Purchases for Quarter Ended – June 30, 2002 by Counterparty

COMPANY	April			May			June			TOTAL		
	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price
Avista Energy	9,565	302,465	32	49,092	1,589,157	32	1,000	15,900	16	59,657	1,907,522	32
American Electric Power Services	2,401	52,086	22	698	18,566	27	8,257	272,239	33	11,356	342,890	30
Allegheny Energy Trading Services	190,550	11,342,750	60	190,600	11,474,798	60	206,000	11,720,800	57	587,150	34,538,348	59
City of Anaheim	800	13,000	16	1,817	41,958	23			-	2,617	54,958	21
Arizona Public Service	450	16,950	38	790	28,920	37	1,375	42,650	31	2,615	88,520	34
Bonneville Power Administration	35,126	844,354	24	33,126	704,910	21	29,390	400,975	14	97,642	1,950,239	20
BP Energy Company	112,111	3,575,947	32	247,234	7,369,573	30	238,437	8,517,593	36	597,782	19,463,113	33
City of Burbank	195	5,800	30	125	2,950	24			-	320	8,750	27
Calpine	446,773	25,009,144	56	569,655	27,881,845	49	795,346	32,784,442	41	1,811,774	85,675,430	47
Calpeak Power, L.L.C.			-	2,320	78,880	34	19,452	650,646	33	21,772	729,526	34
CDWR State Water Project	14,731	411,421	28	8,127	127,362	16	11,436	179,766	16	34,294	718,548	21
Alliance Colton	108	4,320	40	2,719	85,828	32	4,921	174,510	35	7,748	264,658	34
Constellation Power Source	143,800	14,467,938	101	502,200	32,730,648	65	432,000	29,908,000	69	1,078,000	77,106,586	72
Coral Power, L.L.C	53,163	5,525,949	104	52,352	5,482,094	105	100,326	10,554,991	105	205,841	21,563,034	105
Delano	30,256	1,596,004	53	30,015	1,583,291	53	31,894	1,682,409	53	92,165	4,861,704	53
Duke Energy Trading & Marketing	31,263	927,334	30	7,583	184,558	24	57,256	1,749,159	31	96,102	2,861,051	30
Dinumba Biomass	6,658	432,770	65	6,790	441,350	65	5,210	338,650	65	18,658	1,212,770	65
East Bay Municipal Utility District			-	77	2,926	38	64	1,260	20	141	4,186	30
Dynegy Power Marketing Inc.	691,440	65,554,022	95	708,882	66,550,178	94	687,580	64,558,216	94	2,087,902	196,662,417	94
El Paso Merchant Energy	47,826	5,200,833	109	44,908	5,103,242	114	44,507	4,958,069	111	137,241	15,262,144	111
Eugene Water & Electric Board	150	5,575	37	360	7,080	20			-	510	12,655	25
Grant County PUD	880	16,355	19	1,475	49,125	33			-	2,355	65,480	28
GWF Power			-			-	2,201	79,129	36	2,201	79,129	36
Intercom	83,200	3,744,000	45	83,200	3,744,000	45	80,000	3,600,000	45	246,400	11,088,000	45
Imperial Valley Resource Recovery	11,504	1,092,880	95	11,904	1,130,880	95	11,520	1,094,400	95	34,928	3,318,160	95
LA Department of Water & Power	7,475	253,425	34	3,825	144,250	38	23,485	925,816	39	34,785	1,323,491	38
Madera Biomass			-	11,272	732,680	65	13,597	883,807	65	24,869	1,616,487	65
Mirant			-	242,569	32,099,008	132	275,045	32,660,744	119	517,614	64,759,752	125
Mieco, Inc.			-			-	37,200	1,156,012	31	37,200	1,156,012	31
Morgan Stanley Capital Group	35,950	3,433,225	96	37,200	3,552,597	96	36,000	3,438,000	96	109,150	10,423,822	96
Northern California Power Agency	4,994	173,328	35	5,220	176,513	34	10,065	316,633	31	20,279	666,473	33
New Energy Inc.	250	6,580	26	542	12,314	23	850	21,140	25	1,642	40,034	24
Reliant Energy Service	6,995	263,258	38	3,715	138,890	37	14,938	500,734	34	25,648	902,882	35

Note: Purchases reflect bilateral transactions including long-term, short-term, block forward and spot transactions entered into by CERS and does not include ISO real-time energy or ancillary service costs purchased or guaranteed by CERS.

# Power Purchases for Quarter Ended June 30, 2002 by Counterparty (Continued)

COMPANY	April			May			June			TOTAL		
	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price
PacifiCorp Power Marketing, Inc.	113,123	7,692,194	68	119,287	7,991,008	67	108,766	7,584,745	70	341,176	23,267,947	68
PG & E Energy Trading	200	6,700	34	500	15,550	31			-	700	22,250	32
PG&E Energy Trading - Power, L.P.			-	5,880	343,978	59	8,120	475,020	59	14,000	818,998	59
Public Service of New Mexico	3,265	93,950	29	1,919	59,515	31	6,081	187,781	31	11,265	341,246	30
Portland General Electric Company	3,295	99,875	30	5,050	114,350	23	328	5,397	16	8,673	219,622	25
Powerex	9,303	348,271	37	7,021	294,332	42	32,101	944,318	29	48,425	1,586,921	33
Ridgewood Olinda, L.L.C.			-	1,637	93,527	57	1,632	93,252	57	3,269	186,779	57
Southern Company Energy Marketing	310,607	34,162,759	110			-			-	310,607	34,162,759	110
City of Seattle, City Light Department	4,978	138,152	28	4,196	91,669	22	1,203	18,256	15	10,377	248,077	24
San Diego Gas & Electric			-	400	6,800	17			-	400	6,800	17
Sempra Energy Resources	231,940	30,682,000	132	234,872	30,975,200	132	227,870	29,987,000	132	694,682	91,644,200	132
Sempra Energy Trading ( AIG Trading)	9,465	242,130	26	2,598	56,348	22	9,679	254,928	26	21,742	553,406	25
Sacramento Municipal Utility District	19,887	660,786	33	11,020	327,232	30	17,680	581,729	33	48,587	1,569,747	32
Snohomish	193	4,694	24	90	1,965	22			-	283	6,659	24
Sierra Power Corp	4,921	319,865	65	5,117	332,605	65	3,612	234,780	65	13,650	887,250	65
Sierra Pacific Industries	38,657	2,217,419	57	27,076	1,428,259	53	30,154	1,590,624	53	95,887	5,236,301	55
Salt River Project	28,735	809,725	28	37,081	1,054,248	28	47,560	1,316,385	28	113,376	3,180,358	28
Sunrise Power Company	5,820	218,820	38	8,440	286,960	34	23,257	816,576	35	37,517	1,322,356	35
TransAlta Energy Marketing U.S.	13,027	372,153	29	10,503	284,134	27	17,933	415,104	23	41,463	1,071,391	26
Tucson Electric Power	975	27,350	28	800	20,450	26	1,725	34,822	20	3,500	82,622	24
Turlock Irrigation District			-	120	2,280	19			-	120	2,280	19
Tacoma Power	815	24,815	30	1,610	44,560	28	905	17,820	20	3,330	87,195	26
West Area Lower Colorado			-	25	450	18	450	11,500	26	475	11,950	25
Wellhead			-			-	3,118	67,196	22	3,118	67,196	22
Williams Energy Marketing and Trading	229,733	14,651,856	64	309,470	18,188,134	59	314,462	18,042,408	57	853,665	50,882,398	60
TOTAL	2,997,553	\$ 237,045,223	\$ 79	3,655,104	\$ 265,283,926	\$ 73	4,035,988	\$ 275,866,328	\$ 68	10,688,645	\$ 778,195,477	\$ 73

Note: Data shown reflects bilateral transactions including long-term, short-term, block forward contracts and spot transactions entered into by CERS and does not include ISO real time energy or ancillary service costs purchased or guaranteed by CERS.

# Power Sales for Quarter Ended June 30, 2002 by Market

## April 2002

Sale Type	MWh	Total Cost \$	Avg \$/MWh
RT	0	\$ -	\$ -
DA	157,274	\$ 3,259,624	\$ 21
HA	140,427	\$ 2,218,856	\$ 16
<b>TOTAL</b>	<b>297,701</b>	<b>\$ 5,478,480</b>	<b>\$ 18</b>
<b>SALES AS PERCENTAGE OF TOTAL ESTIMATED LOAD</b>	<b>2.64%</b>		

## May 2002

Sale Type	MWh	Total Cost \$	Avg \$/MWh
RT	3,561	\$ 9,100	\$ 3
DA	325,461	\$ 7,848,309	\$ 24
HA	118,912	\$ 1,995,327	\$ 17
<b>TOTAL</b>	<b>447,934</b>	<b>\$ 9,852,736</b>	<b>\$ 22</b>
<b>SALES AS PERCENTAGE OF TOTAL ESTIMATED LOAD</b>	<b>3.38%</b>		

## June 2002

Sale Type	MWh	Total Cost \$	Avg \$/MWh
RT	5,365	\$ 23,560	\$ 4
DA	206,875	\$ 4,154,689	\$ 20
HA	161,822	\$ 2,085,657	\$ 13
<b>TOTAL</b>	<b>374,062</b>	<b>\$ 6,263,906</b>	<b>\$ 17</b>
<b>SALES AS PERCENTAGE OF TOTAL ESTIMATED LOAD</b>	<b>2.65%</b>		

## QUARTER ENDED JUNE 2002

Sale Type	MWh	Total Cost \$	Avg \$/MWh
RT	8,926	32,660	\$ 4
DA	689,610	15,262,622	\$ 22
HA	421,161	6,299,840	\$ 15
<b>TOTAL</b>	<b>1,119,697</b>	<b>21,595,122</b>	<b>\$ 19</b>
<b>SALES AS PERCENTAGE OF TOTAL ESTIMATED LOAD</b>	<b>2.90%</b>		

Note: Real Time (RT) sales are sales transacted in real-time at the direction of the CAISO. Day Ahead (DA) and Hour Ahead (HA) sales are transacted to reconcile CERS purchases with the IOU net short positions. Sales include off system sales.

# Power Sales for Quarter Ended June 30, 2002 by Counterparty

COMPANY NAME	April			May			June			TOTAL		
	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price	MWh	Dollars	Avg. Price
Avista Energy	23,475	444,475	19	11,935	273,605	23	4,350	68,700	16	39,760	786,780	20
American Electric Power Services	3,234	69,860	22	3,886	90,617	23	2,512	46,273	18	9,632	206,750	21
Allegheny Energy Trading Services	4,000	80,000	20	66,808	1,653,834	25	40,000	930,000	23	110,808	2,663,834	24
Arizona Public Service	1,725	32,500	19	550	13,850	25	6,068	88,580	15	8,343	134,930	16
Bonneville Power Administration	1,250	15,300	12	6,150	62,750	10	25	-	-	7,425	78,050	11
BP Energy Company	4,944	112,480	23	9,512	184,183	19	10,443	226,009	22	24,899	522,672	21
City of Burbank	1,490	31,168	21	720	17,120	24	1,200	38,600	32	3,410	86,888	25
Calpine	8,353	140,238	17	926	19,945	22	1,980	20,476	10	11,259	180,659	16
CDWR State Water Project	12,313	194,252	16	1,100	13,000	12	5,901	9,900	2	19,314	217,152	11
Coral Power, L.L.C.	7,704	118,019	15	21,799	495,056	23	4,562	57,033	13	34,065	670,107	20
Duke Energy Trading & Marketing	20,557	465,679	23	36,158	828,373	23	36,501	836,127	23	93,216	2,130,178	23
Dynegy Power Marketing Inc.	20,779	365,187	18	24,975	585,025	23	1,261	16,965	13	47,015	967,177	21
El Paso Merchant Energy	1,710	44,164	26	2,219	57,379	26	1,196	30,958	26	5,125	132,501	26
LA Department of Water & Power	41,372	619,223	15	33,684	351,261	10	58,781	548,667	9	133,837	1,519,150	11
Mirant	-	-	-	22,452	402,897	18	13,070	203,082	16	35,522	605,979	17
Morgan Stanley Capital Group	-	-	-	14,400	454,000	32	16,000	376,000	24	30,400	830,000	27
Northern California Power Agency	1,600	23,600	15	1,600	30,400	19	-	-	-	3,200	54,000	17
New Energy Inc.	2,520	62,270	25	3,885	108,145	28	70	2,720	39	6,475	173,135	27
Reliant Energy Service	10,440	266,730	26	17,001	452,819	27	5,625	102,268	18	33,066	821,817	25
PacifiCorp Power Marketing, Inc.	925	22,125	24	49,865	1,158,286	23	84,470	1,488,725	18	135,260	2,669,136	20
PG & E Energy Trading	25	700	28	900	24,125	27	400	12,063	30	1,325	36,888	28
Public Service of New Mexico	5,900	135,900	23	1,025	16,175	16	5,650	73,950	13	12,575	226,025	18
Portland General Electric Company	5,880	76,830	13	9,475	140,255	15	1,250	6,750	5	16,605	223,835	13
PowereX	17,661	229,634	13	31,362	565,627	18	3,863	41,285	11	52,886	836,546	16
Southern Company Energy Marketing	18,066	378,310	21	-	-	-	-	-	-	18,066	378,310	21
City of Seattle, City Light Department	275	2,150	8	1,555	35,215	23	-	-	-	1,830	37,365	20
Sempra Energy Resources	32	1,472	46	1,663	157,223	95	-	-	-	1,695	158,695	94
Sempra Energy Trading (AIG Trading)	10,267	161,953	16	7,229	181,617	25	2,869	31,870	11	20,365	375,440	18
Sacramento Municipal Utility District	19,285	351,230	18	5,595	144,338	26	575	7,275	13	25,455	502,843	20
Snohomish	150	3,600	24	-	-	-	-	-	-	150	3,600	24
Sierra Pacific Power Company	125	3,500	28	1,335	18,150	14	2,970	64,490	22	4,430	86,140	19
Salt River Project	21,103	354,795	17	14,250	199,025	14	39,775	476,750	12	75,128	1,030,570	14
TransAlta Energy Marketing U.S.	4,716	83,109	18	8,712	206,126	24	2,875	68,775	24	16,303	358,010	22
Tucson Electric Power	200	6,000	30	-	-	-	1,850	29,825	16	2,050	35,825	17
West Area Lower Colorado	50	475	10	-	-	-	15	60	4	65	535	8
Williams Energy Marketing and Trading	25,575	581,554	23	35,208	912,318	26	17,955	359,731	20	78,738	1,853,603	24
<b>Total</b>	<b>297,701</b>	<b>\$ 5,478,480</b>	<b>\$ 18</b>	<b>447,934</b>	<b>\$ 9,852,736</b>	<b>\$ 22</b>	<b>374,062</b>	<b>\$ 6,263,906</b>	<b>\$ 17</b>	<b>1,119,697</b>	<b>\$ 21,595,122</b>	<b>\$ 19</b>

Note: Data shown only reflects bilateral transactions entered into by CERS

# Appropriated Costs - Fiscal Year 2001-2002

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	Annual Budget <u>(thousands)</u>	Actual July 1, 2001 thru June 30, 2002 <u>(thousands)</u>
Total Salaries and Benefits	\$6,409	\$3,773
Distributed Administration	4,048	2,087
Operating Expenses and Equipment		
Consulting and Professional	25,068	22,990
Information Systems	22,411	17,300
Other Items of Expense	1,820	500
<b>TOTAL ADMINISTRATIVE COSTS</b>	<u><u>\$59,756</u></u>	<u><u>\$46,650</u></u>

**Note:** During the quarter ended June 30, 2002, legislation was passed and signed into law increasing CERS appropriated budget for the 2001-2002 fiscal year to \$ 59.8 million.

# Energy Cost Categories

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The Department of Water Resources (DWR) energy costs are presented in three major categories as follows:

## Spot Price/Purchases:

↓ Includes day-ahead purchases, hour-ahead purchases and ISO real-time purchases.

## Contract Purchases:

↓ Includes long-term contracts (over one fiscal quarter in duration), and short-term contracts entered into by the CERS trading desk (balance of month, monthly, and quarterly purchases).

↓ The inclusion of current short-term contracts, which have a higher unit cost than long-term contracts, increases the average cost/MWh compared to forecasts released by DWR depicting only longer-term contracts.

## ISO Costs:

↓ ISO costs include energy and ancillary services costs paid by DWR as the credit worthy backer of IOUs. ISO costs exclude miscellaneous charges which are the responsibility of the IOUs.

↓ Due to the ISO's settlements process, actual audited costs are not available. The values shown in this report are estimated.